

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: Wednesday, June 16, 2004

Division: BOCC

Bulk Item: Yes ☐ No ☒

Department: Commissioner Rice, District 4

AGENDA ITEM WORDING: Discussion of City of Marathon solid waste issues.

ITEM BACKGROUND: The City of Marathon incurred expenses for solid waste fees for the period of June 2003 through October 1, 2003, at which time legal operational responsibility for solid waste services within the City of Marathon was officially transferred back to the County. The new franchise agreement between the County and Marathon Garbage Service is still under negotiations.

PREVIOUS RELEVANT BOCC ACTION: The BOCC has developed a policy that all residents participating in the County Solid Waste Collection program would be treated equitably, meaning that the County will not charge one area more than another, or require one area to subsidize the solid waste fees generated by another area.

CONTRACT/AGREEMENT CHANGES:

STAFF RECOMMENDATIONS:

TOTAL COST: _____

BUDGETED: Yes ☐ No ☐

COST TO COUNTY: _____

SOURCE OF FUNDS: _____

REVENUE PRODUCING: Yes ☐ No ☐ **AMOUNT PER MONTH** _____ **Year** _____

APPROVED BY: County Atty ☐ OMB/Purchasing ☐ Risk Management ☐

DIVISION DIRECTOR APPROVAL: _____

DP Rice
(David P. Rice, Commissioner, District 4)

DOCUMENTATION: Included ☒ To Follow ☐ Not Required ☐

DISPOSITION: _____

AGENDA ITEM # Q6



CITY OF MARATHON, FLORIDA

10045-55 Overseas Highway, Marathon, Florida 33050
Phone: (305) 289-4130 Fax: (305) 743-3667
www.marathonflorida.org

April 21, 2004

APR 23 2004

Commissioner Rice
9400 Overseas Hwy., #210
Marathon Airport Terminal
Marathon, FL 33050

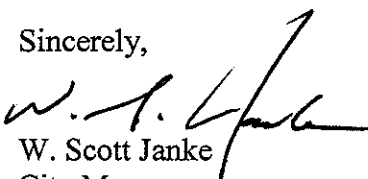
Dear Commissioner Rice:

I'd like to thank you for organizing a meeting between the City of Marathon and Monroe County to discuss the issues surrounding solid waste payments. As I think you know, we have all been working on this for over a year. As a result of our meeting on Monday, April 19, 2004, I have discussed a possible settlement informally with each member of the City Council. As a result of my discussions, I feel comfortable offering the County a cash payment of \$270,720.84 to resolve our differences.

I would also like to ask you once again to support an Interlocal Agreement between the City of Marathon, Monroe County and Marathon Garbage Service as you move forward with a long term relationship for solid waste services here in Marathon. A three party Interlocal Agreement is the only way to insure a long term relationship. The Draft Interlocal Agreement I sent to you can be amended to satisfy the County's concerns regarding past solid waste costs. However, the agreement should include a 3% franchise fee for the City of Marathon. Marathon Garbage Service is perhaps the heaviest normal traffic using City roads. It is normal for a City to receive a franchise fee from solid waste companies to help compensate the City for the costs of road maintenance and repairs.

Again, thank you for calling us all together to discuss this issue. I hope we can resolve it soon. Please let me know if you have any suggestions regarding either our offer or the Draft Interlocal Agreement.

Sincerely,


W. Scott Janke
City Manager

MEMORANDUM

TO: Commissioner David Rice

FROM: James L. Roberts
County Administrator

DATE: April 8, 2004

SUBJECT: Marathon Solid Waste Bills

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As you requested, I am enclosing the information concerning billing for the City of Marathon for solid waste services at the County's franchise station. The billings cover the months of services and the months of June, 2003 through October, 2003. The bills are as follows:

| <u>Billing Date</u> | <u>Amount</u> |
|---------------------|---------------|
| 6/30/03             | \$136,022.84  |
| 7/30/03             | 133,222.44    |
| 8/30/03             | 138,965.04    |
| 9/30/03             | 133,225.84    |

In addition, there are summary statements indicating a balance brought forward dated October 31, 2003 of \$541,436.15. That is repeated in an additional statement submitted to the City dated November 30, 2003 and one dated December 31, 2003. There is another statement dated January 31, 2004 and one dated February 29, 2004 and one dated March 31, 2004. Some minor adjustments of just a few dollars over that period result in \$541,441.68 owed.



James L. Roberts  
County Administrator

JLR:dlf

Enc.

Cc: Board of County Commissioners  
Reggie Paros, Public Safety Director  
John R. Collins, County Attorney

**BOARD OF COUNTY COMMISSIONERS**

Mayor Murray E. Nelson, District 5  
Mayor Pro Tem David P. Rice, District 4  
Dixie M Spehar, District 1  
George Neugent, District 2  
Charles "Sonny" McCoy, District 3

Monroe County  
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1100 Simonton Street, Suite 205  
Key West, FL 33040  
(305) 292-4441 - Phone  
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APR - 7 2004

April 5, 2004

Mr. Scott Janke, City Manager  
City of Marathon  
10045-55 Overseas Highway  
Marathon, Florida 33050

Dear Mr. Janke:

On March 24, 2004, you responded to my letter of March 11, 2004, in reference to the funds owed to the County of Monroe by the City of Marathon for fees for solid waste services from June, 2003, through October, 2003. That amount totals over \$541,000 and has been billed monthly to the City of Marathon as the County provided services and the debt was incurred.

I shall attempt to respond to all the issues you raised in your letter. However, a short history might again be of some assistance. When the City of Marathon incorporated, the County was administering the solid waste program and was willing to continue that relationship. That meant the County would continue to do all billings and provide services through the efforts of the local franchisee and the County's transfer station. The City subsequently utilized its prerogative and took over the control and operation of the solid waste program. The County was no longer directly involved except that the City, by its choice, continued to bring its solid waste to the County's transfer station. The price charged by the County, as is charged on behalf of all areas in the County utilizing the transfer station, was and is \$92 per ton. This cost covered haul-out of the solid waste and other expenses.

Marathon attempted to revise the program and, as we understand it, changed the method of billing and was attempting to change the understanding as it existed for years with the franchisee. When Marathon billed residents, it was unable to obtain sufficient revenue to operate the program at the same level. As I recall, approximately two years ago, the funds owed to the County were in the neighborhood of \$1.2 million.

For example, it is the County's understanding that Marathon reduced the billings to duplexes and multi-family structures by \$37 per unit per year, thereby creating a lower revenue stream and contributing to the problem. In addition, Marathon paid a private management company a fee to manage the solid waste program (reputed to be about \$25,000 per year), which also reduced available funds. We understand that billing and collection problems led to further erosion of revenue.

Subsequent to the seating of a new Council, Marathon developed a genuinely cooperative attitude with the County and began paying its arrears over a number of months. Ultimately, Marathon came current with the billings and payments and up through June of 2003 was making payments for the services received. Because of that level of cooperation, the County Commission agreed with the request of the City of Marathon once again to manage and operate the solid waste program. The County fulfilled its responsibilities and on October 1, 2003, legal operational responsibility was transferred to the County. The County undertook direct billing through the Tax Collector and resumed its former relationship with the franchisee. In fact, because of the changes made to the solid waste roll by the City, it was necessary for the County to hire a special consultant who restructured the solid waste roll in a manner that would be fair and efficient and reflect all the users of the solid waste program in the City of Marathon. That Consultant's cost was \$24,954.50 and was not billed to the City as part of the cost of assuming the responsibilities of the program.

From June, 2003 through October 1, 2003, the City of Marathon continued to use the services of the County's transfer station and incurred expense. You are correct, we have discussed this many times and I was quite surprised to see some of the comments in your letter.

First of all, the City and County have been attempting to work together on this issue for quite some time. Up to June of 2003, it appeared as though that relationship was quite solid. There was a meeting with you, me and Mr. Rosasco and we did discuss the issue of unpaid solid waste fees. At that time, you informed us that you had paid us everything that you had collected for solid waste and there wasn't any more money to pay the County. We discussed a proposed interlocal agreement which had come from the City and I explained to you that agreement placed all the liability back on the County, including for the period during which the County did not have solid waste responsibilities in the City. Such an approach would not be acceptable to the County.

You did request the inclusion of the franchise fee for the City in a franchise agreement which was, at that time and still is today, under negotiation for renewal. I have told you that is on the table during negotiations. However, I shall respond to my County Commission with how those negotiations are proceeding rather than reporting to you first.

Also, Marathon has reached an agreement with the local franchisee to pick up solid waste at nine (9) City owned properties for free, with the stated purpose to replace the need for a franchise fee for the City. This is an estimated annual benefit to Marathon of over \$60,000.

I should also point out that what you are asking the County to do is to place the cost on your citizens under the County's name that Marathon was unwilling to do when it had control of the solid waste program. The County agreed to take over the program for the purpose of removing the City from the problems that it had encountered. It seems to me that if the City would like to have funds raised that would be paid back to the City for purposes such as maintenance of your roads, it would be appropriate for the City to levy that revenue in some fashion rather than have the County do it.

Also, prior to you coming to Marathon, the County Commission, in reference to issues involving the City of Marathon solid waste, developed a policy that all people who were covered by the solid waste program anywhere in Monroe County would be treated fairly and equally. The Commission said that it would not charge one area of the Keys more than another and would not expect one area of the Keys to subsidize the solid waste expenses of another.

As you state in your letter, the County and the City do want to maintain a strong cooperative relationship. That is why when you and I were speaking with Mayor Nelson outside of the meeting room of the Governor and Cabinet just a few weeks ago and the solid waste issues came up, I was quite astonished to hear you say something to the effect "I've wiped that obligation off the books." I know the Mayor was quite surprised to hear that also. The fact of the matter is that the City of Marathon continued from June through October of 2003 to utilize the services of the County transfer station and has not compensated the County for that use. Even though you may not have any executed agreements as you have identified, the City has paid these expenses in the past and there is no justification for suddenly discontinuing the payments.

I believe it would be important to return to trying to solve the problem rather than raising specious issues. I am willing to take to the County Commission a reasonable suggestion of how the funds that are owed can be paid. As long as the County continues to manage the solid waste system within the City limits, Marathon should not be incurring future expense. Therefore, the satisfaction of the bills that are owed would relieve Marathon of solid waste financial obligations. If you have a proposal, other than just having the County raise the money for you, please let me know and I shall be glad to evaluate it and provide a recommendation to the County Commission.

Very truly yours,



James L. Roberts  
County Administrator

JLR:dif

Cc: Board of County Commissioners  
Reggie Paros, Public Safety



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MAR 15 2004

March 11, 2004

Mr. Scott Janke, City Manager  
City of Marathon  
10045-55 Overseas Highway  
Marathon, Florida 33050

Dear Mr. Janke:

I am again reminding you that the City of Marathon has not paid the County the sum of \$541,441.68 for solid waste services from June, 2003 through October, 2003. These are charges which have been billed to the City in the past and which cover the period during which the City conducted its solid waste responsibilities and utilized the County's transfer station.

You and I have had discussions concerning this issue. However, it has been some time since the County has received any payment in reference to any of the bills owed. Since the County is beginning its budget process for the forthcoming fiscal year, it is essential that the funds be paid so that property owners from other parts of the Keys do not have to replace the loss of revenue that has not been paid by Marathon.

Thank you for your attention to this issue.

Very truly yours,

James L. Roberts  
County Administrator

JLR:dif

Cc: Board of County Commissioners  
Reggie Paros, Public Safety Director  
Danny Kolhage, County Clerk  
Richard Collins, County Attorney

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OCT 10 2003

**MEMORANDUM**

To: Scott Janke, Marathon City Manager

From: James L. Roberts, County Administrator

Date: October 9, 2003

RE: City of Marathon Tipping Fees

I'm enclosing a copy of a memorandum I received from staff in reference to the billings in the City of Marathon for tipping fees. Although for many months Marathon was current with its payments, apparently now payments are not being made.

Please make arrangements for payment to be forwarded to the County at the earliest opportunity. Thank you for your continued cooperation.

James L. Roberts  
County Administrator

JLR:pe

cc: Board of County Commissioners



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OCT 10 2003

**MEMORANDUM**

**To:** James L. Roberts  
County Administrator

**Through:** James R. "Reggie" Paros, Director  
Public Safety Division

**From:** Carol A. Cobb, CPM, Sr. Administrator  
Solid Waste Management

**Subject:** City of Marathon – Tipping Fees Owed

Handwritten signatures of James R. Paros and Carol A. Cobb.

**Date:** October 2, 2003

Attached is a copy of the most recent billing statement, which has been mailed to the City of Marathon, showing a balance due of \$541,436.16.

The breakdown is as follows:

|             |              |
|-------------|--------------|
| June 2003   | \$136,022.84 |
| July 2003   | \$133,222.44 |
| August 2003 | \$138,965.04 |
| September   | \$133,225.84 |

The last payment received was on June 20, 2003 for the May 2003 statement.

enclosure

